

**OGDEN CITY SCHOOL DISTRICT**

**Basic Financial Statements**

**Year Ended June 30, 2005**

**OGDEN CITY SCHOOL DISTRICT**  
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**Year Ended June 30, 2005**

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OGDEN CITY SCHOOL DISTRICT  
1910 Monroe Blvd  
Ogden, Utah 84401

October 26, 2005

To President Belnap, Members of the Board of Education, and  
Citizens of the Ogden City School District:

At the close of each fiscal year, school districts are required by state law to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). In addition, these statements are to be audited by licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Pursuant to that requirement, we hereby issue the Basic Financial Statements of the Ogden City School District for the fiscal year ended June 30, 2005.

Designed to meet the needs of a broad spectrum of readers of financial statements, the Basic Financial Statements are divided into three major sections:

- Introductory section – Introduces the reader to the report and includes this transmittal letter.
- Financial section – Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining and individual fund statements and schedules.
- Statistical section and notes – Contains substantial selected financial information, but presents tables that differ from financial statements in that they present non-accounting data.

**Internal controls.** This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To ensure the validity of this report, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

**Independent audits.** Schmitt, Griffiths, Smith & Co., P.C. a firm of licensed certified public accountants, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2005 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

**Management's discussion and analysis.** GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

**District profile.** The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education. The Board of Education increased from five to eight members in January 2005. The Board of Education is responsible, among other things, for developing policy, adopting the budget, levying taxes, incurring bonded debt, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and overseeing the day-to-day operations of the District. The Board of Education is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

The major purpose of the District is to provide public education for those who reside within the boundaries of Ogden City. To accomplish this purpose during the 2004-05 school year the District provided services through the operation of two traditional high schools, an alternative high school, four middle schools, and fifteen elementary schools. The District also offered various special purpose programs.

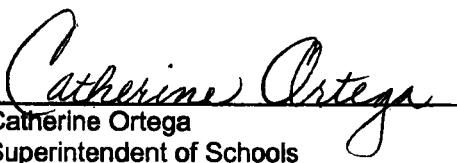
The District serves approximately 12,600 students.


**Audit committee.** The District's independent auditor uses the District's audit committee to communicate certain matters to upper management and the Board. The audit committee includes two members of the Board, the District superintendent, and the business administrator.

**Cash management and investments.** The District maintains its cash and investments in accordance with all requirements as established by the State of Utah Money Management Act. All district investments are accomplished through the Public Treasurer's Investment Fund (PTIF) administered by the Office of the Utah State Treasurer.

**Acknowledgments.** We express our sincere appreciation to everyone, both internally and externally, who assisted in the preparation of this report. We would also like to thank the members of the Board of Education for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,

  
Catherine Ortega  
Superintendent of Schools

  
Eugene N. Hart  
Business Administrator

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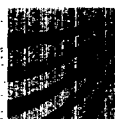
## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### Honorable Board of Education Ogden City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, the proprietary fund and the aggregate remaining fund information of Ogden City School District (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ogden City School District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ogden School Foundation (the Foundation), which is a discretely presented component unit of the District. The Foundation's statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. As described in Note 1, the financial statements of the Foundation were prepared according to generally accepted accounting principles.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above, present fairly, in all material respects, the financial position of the governmental activities, each major fund, the proprietary fund, and the aggregate remaining fund information of Ogden City School District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued a report dated, September 30, 2005 on our consideration of Ogden City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ogden City School District basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Schmitt, Griffiths, Smith & Co., P.C.*

Ogden, Utah  
September 30, 2005

## Management's Discussion and Analysis

This section of Ogden City School District's Basic Financial Statements presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2005. Please read it in conjunction with the transmittal letter and the District's financial statements, which follow this section.

### Financial Highlights

- The District's assets exceeded liabilities by \$26.5 million at the close of the most recent fiscal year under the GASB 34 reporting model.
- During the year, the combined fund balance of the governmental funds increased by 244,023 to \$19,746,011. Individual program balances fluctuated both up and down as is typical from one year to the next. Most notable was the 23% decline in the unrestricted general fund balance from \$2,013,584 to \$1,553,234. At just over a million and a half dollars, this balance represents a mere 2.7% of the program budget and is at a ten year low point. This illustrates the continued financial stress on the District as a whole. The capital projects fund decreased slightly from \$6,315,740 to \$5,967,553, of which \$4,267,803 is being set aside for the construction of a new elementary school at the old Washington site.
- The District experienced a second year of declining student enrollment as evidenced by October 1 student enrollment numbers of 13,141, 12,963 and 12,569 for 2002-03, 2003-04 and 2004-05, respectively. The decline from 2003-04 to 2004-05 was primarily a secondary level phenomenon as a result of students choosing to attend two new charter high schools.
- During the year, the District underwent two separate examinations by Federal and State agencies. The Internal Revenue Service conducted an examination of the District's tax sheltered annuities and deferred compensation plans for the year ending December 31, 2002. The examiner's report indicated that no changes were necessary in any of the above mentioned plans. Additionally, the State Office of Education conducted an audit based on an anonymous allegation involving misappropriation of District funds. The auditor's report indicated that there was no evidence to support the allegation.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and agency funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general maintenance and operation fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary funds.** The District uses a proprietary fund to report the activity of the printing and duplicating program in the district.
- **Agency funds.** The District uses an agency fund to account for resources generated and used for industrial insurance, unemployment insurance and post employment benefits.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$26.5 million at the close of the most recent fiscal year.

- The district has 40.58% of its net assets invested in capital assets (e.g., land, buildings and improvements, and furniture and equipment net of accumulated depreciation), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- An additional portion of the District's net assets (37.16%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net assets* (22.26%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

**OGDEN CITY SCHOOL DISTRICT**  
Governmental Activities ~ Net Assets

	<u>2005</u>	<u>% of Total</u>	<u>2004</u>	<u>% of Total</u>
Current and other assets	\$ 60,962,034	80.72%	\$ 57,518,479	79.24%
Capital Assets	14,558,825	19.28%	15,070,730	20.76%
<b>Total Assets</b>	<u>75,520,859</u>	<u>100.00%</u>	<u>72,589,209</u>	<u>100.00%</u>
Current and other liabilities	41,230,029	84.13%	38,049,593	79.70%
Long-term liabilities outstanding	7,778,339	15.87%	9,691,229	20.30%
<b>Total liabilities</b>	<u>49,008,368</u>	<u>100.00%</u>	<u>47,740,822</u>	<u>100.00%</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	10,757,330	40.58%	9,444,378	38.01%
Restricted	9,854,020	37.16%	9,116,404	36.69%
Unrestricted	5,901,141	22.26%	6,287,605	25.30%
<b>Total net assets</b>	<u>\$ 26,512,491</u>	<u>100.00%</u>	<u>\$ 24,848,387</u>	<u>100.00%</u>

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets. The same situation was true for the prior fiscal year.

**Governmental fund activities**

- Overall, revenues at \$88,305,354 were 3.7% above the prior year. Revenues from federal sources, increasing by 21% over the prior year, continue to be the highlight in the district's revenue picture. State revenue, increased by 1.27% over the prior year, and is discussed in the following section. Earnings on investments, bolstered by higher rates of return, increased by 77% from the prior year. Revenues from local property taxes remained relatively flat at only .32% growth over the prior year. This level of growth, in addition to last years decrease in growth, is a disappointing development in our revenue picture. Historically, the district has experienced 4% to 6% annual growth in property tax revenue.
- The weighted pupil unit (WPU), the basic funding unit for state aid, increased in value by \$32 (1.48%) from \$2,150 (2003-04) to \$2,182 (2004-05). This disappointing increase in the WPU value was further aggravated by a reduction in WPU numbers due to the decline in student enrollment that the District experienced. The net result of these factors was that the state funding for Ogden City School District that is based on WPUs decreased by an alarming \$751,877 (2.08%).
- Despite serious funding issues, the district (1) enacted no reduction in staff commensurate with reduced student numbers, (2) continued to honored lane changes and step increases for all employee groups and (3) continued to cover 91% of group insurance premiums as in the past despite escalating costs.

OGDEN CITY SCHOOL DISTRICT  
Financial Analysis ~ Governmental Funds

	2005	2004	Change 2005-2004
<b>Revenues</b>			
Property taxes	\$ 20,193,987	\$ 20,129,478	\$ 64,509
Earnings on investments	635,301	359,035	276,266
School Lunch Sales	727,399	856,343	(128,944)
Other Local Sources	2,727,038	3,181,569	(454,531)
State Aid	48,237,600	47,634,132	603,468
Federal Aid	15,783,928	13,004,772	2,779,156
Other Financing Sources	101	7,742	(7,641)
Total revenues	<u>88,305,354</u>	<u>85,173,071</u>	<u>3,132,283</u>
<b>Expenses</b>			
Instructional Services	47,168,548	45,903,034	1,265,514
Supporting Services			
Students	5,652,030	5,218,624	433,406
Instructional staff	8,154,563	6,628,857	1,525,706
District administration	549,024	471,570	77,454
School administration	5,048,237	4,757,473	290,764
Business	638,696	616,023	22,673
Operation and maintenance of facilities	5,380,327	5,220,278	160,049
Transportation	1,652,625	1,609,160	43,465
Central/Community Service/Other	2,264,072	1,559,602	704,470
School lunch services	5,326,083	5,074,484	251,599
Capital Outlay	4,203,659	4,379,884	(176,225)
Debt Service	2,023,467	2,008,005	15,462
Total expenses	<u>88,061,331</u>	<u>83,446,994</u>	<u>4,614,337</u>
Net Change in Fund Balance	244,023	1,726,077	(1,482,054)
Fund Balances – beginning	19,501,988	17,775,911	1,726,077
Fund Balances – ending	<u>\$ 19,746,011</u>	<u>\$ 19,501,988</u>	<u>\$ 244,023</u>

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$19.7 million, \$244,023 higher than the previous year. This net increase consists of an increase in reserves for encumbrances of \$1,010,071 as well as in reserve fund balances of \$253,116, while designated fund balances decreased by \$395,720. The undesignated component of fund balance also experienced a net decrease of \$623,444 with special revenue funds growing but capital projects and the general fund deteriorating by just over \$800,000.

- Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

### **General Fund Budgetary Highlights**

The Board of Education adopts a budget for an upcoming year prior to the beginning of that fiscal year. Adjustments are accepted and incorporated into the budget throughout the year to reflect the changing nature of revenue streams and identified needs. Such budget adjustments, reflecting the dynamic nature of the budgeting process, are reflected in the final legal budget approved by the Board of Education.

Differences between the original budget and the final legal budget were typical for the year, reflecting additions and/or increases of state and federal funding over original projections. Actual total expenditures were below final budgeted amounts. Revenues were below budgetary estimates primarily as a result of expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unspent grant amounts are carried forward and included in the succeeding year's budget. As a result, actual grant revenues and expenditures are normally less than the amounts budgeted.

State and federal funding is highly dependent on student numbers and composition. Since state and federal dollars comprise the bulk of total revenue, projecting enrollment growth and trends is a critical part of the budget process.

#### **OGDEN CITY SCHOOL DISTRICT October 1 enrollment**

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Elementary	6,200	6,384	6,127	6,155
Middle School	2,721	2,807	2,836	2,760
High School	3,488	3,625	3,575	3,214
Special Schools	<u>413</u>	<u>325</u>	<u>425</u>	<u>440</u>
Total Enrollment	12,822	13,141	12,963	12,569

### **Capital Asset and Debt Administration**

**Capital Assets.** The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

**Debt Administration.** The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2005 is approximately \$158 million. General obligation debt at June 30, 2005 is \$500,000, resulting in a legal debt margin of approximately \$157.5 million.

In March of 2003, the district refinanced the \$3.3 million of outstanding general obligation debt. This debt will be completely retired by June 2006.

## **Requests for Information**

This financial report is designed to provide a general overview of the Ogden City School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Ogden City School District, 1950 Monroe Blvd., Ogden, UT 84401.

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Net Assets**  
June 30, 2005

	<u>Governmental Activities</u>	<u>Component Unit</u>
<b>Assets:</b>		
Cash and investments	\$ 26,578,040	\$ 1,879,397
Receivables:		
Property taxes	15,115,053	-
Other	8,260,926	76,488
Due from student activities agency fund	10,995,715	-
Bond issuance costs, net	12,300	-
Capital assets:		
Land	1,544,046	-
Other capital assets, net of depreciation	13,014,779	3,402
Total assets	<u>75,520,859</u>	<u>1,959,287</u>
<b>Liabilities:</b>		
Checks-in-excess	2,249,467	-
Accounts payable	751,603	4,119
Accrued interest	17,750	-
Accrued salaries	8,493,885	-
Due to other funds	12,075,053	-
Deferred revenue:		
Local sources	-	-
Property taxes	17,642,271	-
Noncurrent liabilities:		
Due within one year	905,000	-
Due in more than one year	6,873,339	-
Total liabilities	<u>49,008,368</u>	<u>4,119</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	10,757,330	-
Restricted for:		
School lunch	1,848,530	-
Capital projects	7,912,584	-
Debt service	92,906	-
Foundation	-	1,955,168
Unrestricted	5,901,141	-
Total net assets	<u>\$ 26,512,491</u>	<u>\$ 1,955,168</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Activities**  
Year Ended June 30, 2005

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
<b>Governmental activities:</b>						
Instructional services	\$ 48,357,145	\$ -	\$ 18,767,147	\$ -	\$ (29,589,998)	\$ -
Supporting services:						
Students	5,658,489	-	3,894,341	-	(1,764,148)	-
Instructional staff	8,806,949	-	5,625,717	-	(3,181,232)	-
District administration	558,362	-	8,000	-	(550,362)	-
School administration	5,057,986	-	353,553	-	(4,704,433)	-
Business	638,696	-	-	-	(638,696)	-
Operation and maintenance of facilities	6,139,880	-	275,349	-	(5,864,531)	-
Transportation	1,652,625	-	1,647,640	-	(4,985)	-
Central	982,558	-	644,201	-	(338,357)	-
Community services / other	1,282,514	-	1,171,954	-	(110,560)	-
School lunch services	5,353,277	727,399	4,752,419	-	126,541	-
Capital outlay	2,038,789	-	-	4,280,328	2,241,539	-
Interest on long-term liabilities	196,707	-	-	-	(196,707)	-
Total school district	\$ 86,723,977	\$ 727,399	\$ 37,140,321	\$ 4,280,328	\$ (44,575,929)	\$ -
Component unit:						
Foundation	\$ 679,586	\$ -	\$ 331,934	\$ -	\$ -	\$ (347,652)
<b>General revenues:</b>						
Property taxes levied for:						
General purposes					9,392,872	-
Transportation					429,074	-
Recreation					517,089	-
Debt service					1,441,249	-
Capital outlay					8,413,703	-
Federal and state aid not restricted to specific purposes					22,600,879	-
Contributions not restricted to specific programs (Foundation)					-	363,606
Earnings on investments					635,301	83,721
Miscellaneous					2,809,866	-
Total general revenues					46,240,033	447,327
Change in net assets					1,664,104	99,675
Net assets - beginning					24,848,387	1,855,493
Net assets - ending					\$ 26,512,491	\$ 1,955,168

**OGDEN CITY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2005

	<b>General</b>	<b>Capital Projects</b>	<b>Other Non-major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 25,929,370	\$ 648,670	\$ -	\$ 26,578,040
Due from other funds	296,919	8,808,282	1,890,514	10,995,715
Property taxes receivable	7,738,907	6,296,931	1,079,215	15,115,053
Accounts receivable	7,955,199	29,121	276,606	8,260,926
Total assets	<u>\$ 41,920,395</u>	<u>\$ 15,783,004</u>	<u>\$ 3,246,335</u>	<u>\$ 60,949,734</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Checks-in-excess	\$ 2,240,911	\$ -	\$ -	\$ 2,240,911
Accounts payable	205,274	524,499	21,830	751,603
Accrued liabilities	8,469,297	362	24,226	8,493,885
Due to other funds	12,075,053	-	-	12,075,053
Deferred revenue:				
Property taxes	9,037,869	7,345,559	1,258,843	17,642,271
Total Liabilities	<u>32,028,404</u>	<u>7,870,420</u>	<u>1,304,899</u>	<u>41,203,723</u>
<b>Fund balances:</b>				
Reserved for:				
Encumbrances	260,266	1,378,317	4,364	1,642,947
State programs	5,769,990	-	-	5,769,990
Student activities	1,740,667	-	-	1,740,667
Debt service	-	566,714	92,906	659,620
Unreserved:				
Designated	567,834	-	-	567,834
Undesignated, reported in:				
General fund	1,553,234	-	-	1,553,234
Capital projects fund	-	5,967,553	-	5,967,553
Special revenue funds	-	-	1,844,166	1,844,166
Total fund balances	<u>9,891,991</u>	<u>7,912,584</u>	<u>1,941,436</u>	<u>19,746,011</u>
Total liabilities and fund balances	<u>\$ 41,920,395</u>	<u>\$ 15,783,004</u>	<u>\$ 3,246,335</u>	<u>\$ 60,949,734</u>



**OGDEN CITY SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
June 30, 2005

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Amounts reported for governmental activities in the statement of net assets are different because:

<b>Total fund balance - governmental funds</b>	<b>\$ 19,746,011</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$43,456,122 and the accumulated depreciation is \$29,947,269.	14,539,090
To recognize interest accrual and miscellaneous accrual for general obligation bonds to year end.	(17,750)
Bond issue costs are reported as expenditures in the governmental funds.	12,300
Internal service funds are used by management to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
Fixed assets	19,735
Liabilities	(8,556)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(7,778,339)
<b>Total net assets - governmental activities</b>	<b><u>\$ 26,512,491</u></b>

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2005**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 10,183,621	\$ 8,287,229	\$ 1,723,137	\$ 20,193,987
Earnings on investments	621,579	13,722	-	635,301
School lunch sales	-	-	727,399	727,399
Other local sources	2,727,038	-	-	2,727,038
State aid	47,028,798	613,041	595,761	48,237,600
Federal aid	11,627,270	-	4,156,658	15,783,928
Total revenues	<u>72,188,306</u>	<u>8,913,992</u>	<u>7,202,955</u>	<u>88,305,253</u>
<b>Expenditures:</b>				
Current:				
Instructional services	46,864,768	686,746	303,780	47,855,294
Supporting services:				
Students	5,652,030	6,458	-	5,658,488
Instructional staff	8,154,563	307,091	-	8,461,654
District administration	549,024	9,338	-	558,362
School administration	5,048,237	9,749	-	5,057,986
Business	638,696	-	-	638,696
Operation and maintenance of facilities	5,380,327	674,591	-	6,054,918
Transportation	1,652,625	-	-	1,652,625
Central	981,558	1,000	-	982,558
Other	550,123	-	-	550,123
Community Service	732,391	-	-	732,391
School lunch services	-	-	5,326,083	5,326,083
Capital outlay	-	2,508,686	-	2,508,686
Debt service:				
Principal retirement	-	390,000	1,425,000	1,815,000
Interest and fiscal charges	-	169,217	39,250	208,467
Total expenditures	<u>76,204,342</u>	<u>4,762,876</u>	<u>7,094,113</u>	<u>88,061,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,016,036)</u>	<u>4,151,116</u>	<u>108,842</u>	<u>243,922</u>
<b>Other financing sources (uses):</b>				
Transfers	3,531,318	(3,531,318)	-	-
Sale of capital assets	-	101	-	101
Total other financing sources (uses)	<u>3,531,318</u>	<u>(3,531,217)</u>	<u>-</u>	<u>101</u>
Net change in fund balances	<u>(484,718)</u>	<u>619,899</u>	<u>108,842</u>	<u>244,023</u>
<b>Fund balances - beginning</b>	<u>10,376,709</u>	<u>7,292,685</u>	<u>1,832,594</u>	<u>19,501,988</u>
<b>Fund balances - ending</b>	<u>\$ 9,891,991</u>	<u>\$ 7,912,584</u>	<u>\$ 1,941,436</u>	<u>\$ 19,746,011</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Government Funds to the Statement of Activities**  
**Year Ended June 30, 2005**

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Amounts reported for governmental activities in the statement of activities are different because:

**Net change in fund balances-total governmental funds** **\$ 244,023**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 482,199	
Depreciation expense	<u>(1,005,343)</u>	(523,144)

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	1,815,000	
Interest expense - general obligation bonds	-	
Amortization of bond issuance costs	(12,302)	
Amortization of bond premium	<u>11,761</u>	1,814,459

In the statement of activities, certain operating expenses -- compensated absences, early retirement and post retirement health -- are measured by the amounts earned during the year.

In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, compensated absences decreased by \$58,638, early retirement payable increased by \$19,832, and post retirement health payable decreased by \$47,323.

86,129

Internal service funds are used by the District to charge the costs of various internal services to the individual funds. The net loss of the internal service funds is reported with governmental activities.

42,638

**Change in net assets of governmental activities**

**\$ 1,664,104**

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and GAAP Basis**  
**General Fund**  
**Year Ended June 30, 2005**

	<u>Budgetary Basis</u>	<u>Changes in Reserve for Encumbrances</u>	<u>2005 GAAP Basis Revenue and Expenditures</u>	<u>2004 GAAP Basis Revenue and Expenditures</u>
<b>Revenues:</b>				
Local revenue:				
Property taxes	\$ 10,183,621	\$ -	\$ 10,183,621	\$ 10,311,946
Earnings on investments	621,579	-	621,579	349,951
Student activities and other	2,727,038	-	2,727,038	3,085,744
State	47,028,798	-	47,028,798	46,373,378
Federal	11,627,270	-	11,627,270	8,699,352
Total revenues	<u>72,188,306</u>	<u>-</u>	<u>72,188,306</u>	<u>68,820,371</u>
<b>Expenditures:</b>				
Instructional services	46,956,830	(92,062)	46,864,768	45,639,257
Supporting services:				
Students	5,635,255	16,775	5,652,030	5,218,624
Instructional staff	8,136,490	18,073	8,154,563	6,628,857
District general administration	544,547	4,477	549,024	471,570
School administration	5,047,641	596	5,048,237	4,757,473
Business	638,657	39	638,696	616,023
Operation and maintenance of facilities	5,404,216	(23,889)	5,380,327	5,220,278
Student transportation	1,647,640	4,985	1,652,625	1,609,160
Central	982,279	(721)	981,558	452,576
Other	550,123	-	550,123	437,018
Community service	727,861	4,530	732,391	670,008
Total expenditures	<u>76,271,539</u>	<u>(67,197)</u>	<u>76,204,342</u>	<u>71,720,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,083,233)</u>	<u>67,197</u>	<u>(4,016,036)</u>	<u>(2,900,473)</u>
<b>Other financing sources (uses):</b>				
Operating transfers, net	3,531,318	-	3,531,318	3,606,506
Net change in fund balances	<u>(551,915)</u>	<u>67,197</u>	<u>(484,718)</u>	<u>706,033</u>
<b>Fund balances - beginning</b>	<u>10,376,709</u>	<u>-</u>	<u>10,376,709</u>	<u>9,670,676</u>
<b>Fund balances - ending</b>	<u>\$ 9,824,794</u>	<u>\$ 67,197</u>	<u>\$ 9,891,991</u>	<u>\$ 10,376,709</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual - Budgetary Basis**  
**General Fund**  
**Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual - Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Local revenue:				
Property taxes	\$ 10,366,734	\$ 9,813,960	\$ 10,183,621	\$ 369,661
Earnings on investments	340,000	500,000	621,579	121,579
Student activities and other	1,356,152	1,560,310	2,727,038	1,166,728
State	51,401,987	55,065,041	47,028,798	(8,036,243)
Federal	11,136,814	15,104,030	11,627,270	(3,476,760)
Total revenues	<u>74,601,687</u>	<u>82,043,341</u>	<u>72,188,306</u>	<u>(9,855,035)</u>
<b>Expenditures:</b>				
Instructional services	46,142,160	48,264,533	46,956,830	1,307,703
Supporting services:				
Students	5,861,047	6,386,708	5,635,255	751,453
Instructional staff	8,611,608	11,872,004	8,136,490	3,735,514
District general administration	567,295	630,591	544,547	86,044
School administration	5,022,037	5,013,088	5,047,641	(34,553)
Business	684,647	675,960	638,657	37,303
Operation and maintenance of facilities	6,081,018	6,165,000	5,404,216	760,784
Student transportation	1,473,133	1,541,201	1,647,640	(106,439)
Central	503,318	1,021,560	982,279	39,281
Other	2,149,933	2,088,866	550,123	1,538,743
Community service	-	1,214,450	727,861	486,589
Total expenditures	<u>77,096,196</u>	<u>84,873,961</u>	<u>76,271,539</u>	<u>8,602,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,494,509)</u>	<u>(2,830,620)</u>	<u>(4,083,233)</u>	<u>(1,252,613)</u>
<b>Other financing sources (uses):</b>				
Operating transfers, net	(3,204,414)	(3,048,719)	3,531,318	-
Net change in fund balances	<u>(5,698,923)</u>	<u>(5,879,339)</u>	<u>(551,915)</u>	<u>(1,252,613)</u>
<b>Fund balances - beginning</b>	<u>10,376,709</u>	<u>10,376,709</u>	<u>10,376,709</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 4,677,786</u>	<u>\$ 4,497,370</u>	<u>\$ 9,824,794</u>	<u>\$ (1,252,613)</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2005 and 2004

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>2005</b>	<b>2004</b>
<b>Assets:</b>		
Current assets:		
Due from other funds	\$ -	\$ -
Fixed assets	19,735	17,831
Total assets	<u>\$ 19,735</u>	<u>\$ 17,831</u>
<b>Liabilities:</b>		
Current liabilities:		
Due to other funds	\$ 8,556	\$ 39,954
Accounts payable	-	-
Total liabilities	<u>8,556</u>	<u>39,954</u>
<b>Net assets:</b>		
Unrestricted	11,179	(22,123)
Total liabilities and net assets	<u>\$ 19,735</u>	<u>\$ 17,831</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Years Ended June 30, 2005 and 2004**

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>2005</b>	<b>2004</b>
<b>Operating revenues:</b>		
Charges for services	\$ 82,727	\$ 81,478
<b>Operating expenses:</b>		
Salaries	12,078	70,537
Purchased services	12,365	11,098
Supplies and materials	15,647	19,798
Depreciation	9,335	9,663
Total operating expenses	49,425	111,096
Change in net assets	33,302	(29,618)
<b>Total net assets - beginning</b>	<b>(22,123)</b>	<b>7,495</b>
<b>Total net assets - ending</b>	<b>\$ 11,179</b>	<b>\$ (22,123)</b>

**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Years Ended June 30, 2005 and 2004**

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>2005</b>	<b>2004</b>
<b>Cash flows from operating activities:</b>		
Receipts from user departments	\$ 51,429	\$ 114,117
Payments to suppliers	(28,012)	(30,896)
Payments to employees	(12,078)	(70,537)
Net cash provided by operating activities	<u>11,339</u>	<u>12,684</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	<u>(11,339)</u>	<u>(12,684)</u>
Net cash used by capital and related financing activities	<u>(11,339)</u>	<u>(12,684)</u>
Net increase in cash and cash equivalents	-	-
<b>Cash and cash equivalents - beginning</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents - ending</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities:</b>		
Change in net assets	<u>\$ 33,302</u>	<u>\$ (29,618)</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	9,335	9,663
Change in checks-in-excess	<u>(31,298)</u>	<u>32,639</u>
Total adjustments	<u>(21,963)</u>	<u>42,302</u>
Net cash provided by operating activities	<u>\$ 11,339</u>	<u>\$ 12,684</u>



**OGDEN CITY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
**June 30, 2005**

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	<u>2005</u>	<u>2004</u>
<b>Assets:</b>		
Due from other funds	<u>\$ 1,087,894</u>	<u>\$ 373,069</u>
<b>Liabilities:</b>		
Accounts payable	\$ 2,484	\$ 2,777
<b>Net Assets:</b>		
Unreserved, undesignated	<u>1,085,410</u>	<u>370,292</u>
Total liabilities and net assets	<u>\$ 1,087,894</u>	<u>\$ 373,069</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Ogden City School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

In June 1999, the Governmental Accounting Standards Board unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all of the District's activities.

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements as of June 30, 2005.

**Reporting entity**

Ogden City School District operates under a board/superintendent form of government and provides public education to the residents of Ogden, Utah. As required by GAAP, these financial statements present the District and its component unit, Ogden School District Foundation. The District is not a component unit of any other primary government.

- *Discrete component unit.* The Ogden School District Foundation (the Foundation) is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation exclusively services the District. The financial information of the Foundation is presented according to generally accepted accounting principles. Complete financial statements may be obtained at the Foundation's administrative office located at 1950 Monroe Blvd., Ogden, Utah.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Government-wide and fund financial statements**

The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District) and its discrete component unit. These statements include the financial activities of the overall government, except for fiduciary activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Government-wide and fund financial statements, Continued**

- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District. This fund also includes the activities and ending balances of the Municipal Building Authority of the Ogden City School District and debt service related to the Municipal Building Authority's bonds outstanding.

Additionally, the District reports the following fund types:

- *Special revenue funds* are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes.
- The *trust and agency fund (a fiduciary fund)* accounts for assets held by the District in either a trustee or agency capacity. These include funds held in an expendable trust by the District for industrial and unemployment insurance.
- The *internal service fund* is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The District operates a central print shop.

**Measurement focus, basis of accounting and financial statement presentation**

The *government-wide and fiduciary fund financial statements* are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Measurement focus, basis of accounting and financial statement presentation, Continued**

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and post-employment healthcare benefits, arbitrage rebates, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**Budgetary Data**

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the Ogden City School District Foundation or the trust and agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board of Education (the Board) a proposed operating budget for the next fiscal year commencing July 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30<sup>th</sup>.
- Copies of the proposed budget are made available for public inspection and review by the patrons of the District.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Measurement focus, basis of accounting and financial statement presentation, Continued**

- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22<sup>nd</sup> at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the superintendent, can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2005, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

**Deposits and Investments**

The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pooled investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and credited to the funds.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Cash and Cash Equivalents**

The District considers cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund to be cash equivalents.

**Inventories**

Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds and are recorded as revenue when received and as an expense when consumed.

**Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements and portable classrooms	10 - 30
Maintenance equipment	5 - 20
Buses	5 - 10
Furniture	5 - 10
Office equipment	5 - 10
Vehicles	5
Computer equipment	3 - 5

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Accrued Wages Payable**

Wages payable result from unpaid employee service at the balance sheet date. This amount arises from employee contracts that spread payment for nine months of service over a twelve-month period.

**Compensated Absences**

Under terms of association agreements, employees can earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated vacation days. Accumulated sick leave is also reimbursed to employees that retire, but is dependent on certain criteria being met. The criterion is defined in each employee group's handbook. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.



**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures / expenses initially made from it that are properly applicable to another fund, are recorded as expenditures / expenses in the reimbursing fund and as reductions of expenditures / expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

**Estimates and Assumptions**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(2) DEPOSITS AND INVESTMENTS**

The District follows the requirements of the Utah Money Management Act (the Act) (Section 51, Chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (the PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah.

The PTIF is invested in accordance with the Act. The State Money Management Council (the Council) provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(2) DEPOSITS AND INVESTMENTS, Continued**

Deposits and investments at June 30, 2005 appear in the financial statements as summarized below:

Cash	\$ 1,740,667
Investments	24,837,373
Total cash and investments	<u>\$ 26,578,040</u>
Cash and investments - governmental funds, balance sheet	<u>\$ 26,578,040</u>
Total cash and investments	<u>\$ 26,578,040</u>

**Deposits**

The District's carrying amount of bank deposits at June 30, 2005 is \$1,740,667, and the bank balance is \$3,048,881. Of the bank balance, \$1,426,789 is covered by federal depository insurance and \$1,622,092 was uninsured. No deposits are collateralized, nor are they required to be by state statute.

**Investments**

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the District or its agent in the District's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the District's name.

At year-end, \$24,188,703 of the District's investment balance was held in the Public Treasurers' Investment Fund (investments not subject to categorization). The other \$648,670 was held in short-term investments at local banks (Category 2).

During the year ended June 30, 2005, the District, through a bank had an overnight sweep agreement (classified as a Category 2 investment) that meets allowable investments of the Utah Money Management Act.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(3) OTHER RECEIVABLES**

At June 30, 2005, other receivables were comprised of the following:

Local funding	\$ 479,088
State funding	875,935
Federal grants	<u>6,905,903</u>
	<u>\$ 8,260,926</u>

**(4) PROPERTY TAXES**

The property tax revenue of the District is collected and distributed by the Weber County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1<sup>st</sup> and complete the tax rolls by May 15<sup>th</sup>. By July 21<sup>st</sup>, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1<sup>st</sup> and August 15<sup>th</sup> for a revision of the assessed value. The County Auditor makes approved changes in assessed value by November 1<sup>st</sup> and on this same date the County Auditor is to deliver the completed assessment rolls to the County Treasurer. Tax notices are mailed with a due date of November 30<sup>th</sup>. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15<sup>th</sup> of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

Motor vehicles are subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(4) PROPERTY TAXES, Continued**

As of June 30, 2005, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2005. It is expected that all assessed taxes will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion. The property taxes receivable and property taxes deferred revenue accounts at June 30, 2005 are summarized as follows:

<u>Fund description</u>	<u>Property Taxes</u>	
	<u>Receivable</u>	<u>Deferred Revenue</u>
General	\$ 7,738,907	\$ 9,387,836
Debt service	1,079,215	1,207,719
Capital projects	6,296,931	7,046,716
Total	<u>\$15,115,053</u>	<u>\$17,642,271</u>

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**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(5) CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2005 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,544,046	\$ -	\$ -	\$ 1,544,046
Construction-in-progress	-	-	-	-
Water stock	-	-	-	-
Total capital assets, not being depreciated	<u>1,544,046</u>	<u>-</u>	<u>-</u>	<u>1,544,046</u>
Capital assets, being depreciated:				
Buildings and improvements	39,568,952	-	-	39,568,952
Furniture and equipment	4,099,998	493,438	(70,020)	4,523,416
Total capital assets, being depreciated	<u>43,668,950</u>	<u>493,438</u>	<u>(70,020)</u>	<u>44,092,368</u>
Accumulated depreciation for:				
Buildings and improvements	(27,645,104)	(493,899)	-	(28,139,003)
Furniture and equipment	(2,497,162)	(511,444)	70,020	(2,938,586)
Total accumulated depreciation	<u>(30,142,266)</u>	<u>(1,005,343)</u>	<u>70,020</u>	<u>(31,077,589)</u>
Total capital assets, being depreciated, net	<u>13,526,684</u>	<u>(511,905)</u>	<u>-</u>	<u>13,014,779</u>
Governmental activities capital assets, net	<u>\$ 15,070,730</u>	<u>\$ (511,905)</u>	<u>\$ -</u>	<u>\$ 14,558,825</u>

For the year ended June 30, 2005, depreciation expense was charged to functions of the District as follows:

<b>Governmental activities:</b>	
Instructional services	\$ 557,227
Supporting services:	
Instructional staff	345,295
Operations and maintenance	75,627
Food services	27,194
Total depreciation expense, governmental activities	<u>\$ 1,005,343</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(6) RETIREMENT PLANS**

**Defined Benefit Plans**

The District contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (the URS). The URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 6.00% of annual covered salary (all or part may be paid by the employer for the employee), and the District is required to contribute 8.89% of annual covered salary. For employees participating in the State and School Noncontributory System, the District is required to contribute 13.38% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2005, 2004, and 2003 are \$26,238, \$30,206, and \$34,502, respectively and for the Noncontributory Retirement System for the years ended June 30, 2005, 2004, and 2003 are \$5,919,421, \$4,756,999, and \$4,972,964, respectively. The contributions were equal to the required contributions for each year.

**Defined Contribution Plans**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$203,754 for the year ended June 20, 2005. The assets of the plan are administered and held by the URS and a third-party administrator.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(6) RETIREMENT PLANS, Continued**

**Defined Contribution Plans, Continued**

The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2005, 2004 and 2003 were \$740,146, \$681,402, and \$764,316, respectively; the employee contributions for the years ending June 30, 2005, 2004 and 2003 were \$1,421,472, \$1,323,889, and \$1,481,065, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by the URS.

**(7) EARLY RETIREMENT INCENTIVE**

The District provides early retirement salary, medical and term life insurance benefits for certain classifications of employees who retire prior to age 65. The benefits are provided in accordance with policies adopted by the Board of Education of the District. Early retirement salary benefits paid and recorded as expenditures during the year totaled \$203,834. At June 30, 2005 there were 12 employees eligible to receive the early retirement benefits. Information related to the post-employment insurance benefits is discussed in Note 10.

The estimated total future liability for such benefits is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2006	\$ 203,835
2007	116,741
2008	59,574
2009	25,145
	<u>405,295</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(8) RISK MANAGEMENT**

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (the Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Boiler and machinery is insured to \$100,025,000; automobile physical damage is insured to actual value. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage from coverage by major category of risk has remained relatively constant as compared to the prior fiscal year.

**(9) LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2005 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,925,000	\$ -	\$ (1,425,000)	\$ 500,000	\$ 500,000
Revenue refunding bonds	<u>3,660,000</u>	<u>-</u>	<u>(390,000)</u>	<u>3,270,000</u>	<u>405,000</u>
Total bonds payable, net	5,585,000	-	(1,815,000)	3,770,000	905,000
Deferred issuance premium	23,521	-	(11,761)	11,760	-
Post-employment health costs	2,286,531	-	(47,323)	2,239,208	-
Compensated absences payable	1,410,714	-	(58,638)	1,352,076	-
Early retirement payable	<u>385,463</u>	<u>19,832</u>	<u>-</u>	<u>405,295</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 9,691,229</u>	<u>\$ 19,832</u>	<u>\$ (1,932,722)</u>	<u>\$ 7,778,339</u>	<u>\$ 905,000</u>



**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(9) LONG-TERM DEBT, Continued**

Payments on the general obligation bonds are made by the debt service fund from property taxes. The annual requirements to amortize all general obligation and revenue refunding bonds outstanding as of June 30, 2005, including interest payments are listed as follows:

<b>Year Ending June 30,</b>	<b>Bonded Indebtedness</b>		<b>Total Debt Service</b>
	<b>Principal</b>	<b>Interest</b>	
2006	\$ 905,000	\$ 166,973	\$ 1,071,973
2007	425,000	138,545	563,545
2008	445,000	118,995	563,995
2009	465,000	98,080	563,080
2010	485,000	75,760	560,760
2011	510,000	51,995	561,995
2012	535,000	26,750	561,750
Total	<u>\$ 3,770,000</u>	<u>\$ 677,098</u>	<u>\$ 4,447,098</u>

**Revenue Refunding Bonds**

The revenue refunding bonds issued by the Municipal Building Authority of Ogden City School District had an original issue amount of \$5,660,000, are due in annual principal installments ranging from \$405,000 to \$535,000 through 2012. The bonds bear interest ranging from 4.40% to 5.00%. Interest payments are due semi-annually on December 15<sup>th</sup> and June 15<sup>th</sup>. The bonds will be repaid with lease payments.

**General Obligation Bonds**

During 2003, the District issued \$3,300,000 in general obligation refunding bonds (Series 2003). These bonds bear interest at 2% and are due in annual principal installments ranging from \$500,000 to \$1,425,000 through 2006. Interest payments are due semi-annually on December 15<sup>th</sup> and June 15<sup>th</sup>.

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2005, is approximately \$92 million. General obligation debt at June 30, 2005 is \$500,000, resulting in a legal debt margin of approximately \$91.5 million.

**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Basic Financial Statements, Continued**  
**June 30, 2005**

**(10) RETIREE HEALTH COVERAGE**

In accordance with Board of Education policy, the District provides health coverage to certain retirees who are not yet eligible for Medicare. Retirees receiving this benefit must contribute the same out-of-pocket premium percentage required by active employees. To receive this benefit, a retiring employee must have ten years of service in the District and qualify for retirement under the Utah State Retirement System. At June 30, 2005 there were 119 retirees eligible to receive health coverage. During the year, the District paid \$541,498 for retiree health coverage. The projected estimated future cost of post-employment supplemental coverage of current employees is undetermined. The post-employment healthcare termination benefits are financed on a pay-as-you-go basis.

**(11) DESIGNATED FOR UNDISTRIBUTED RESERVE**

Utah state law allows for the establishment of an undistributed reserve. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

**(12) LITIGATION**

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

**(13) GRANTS**

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

**OGDEN CITY SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2005**

	<b>Special Revenue</b>			<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>School Food Service Fund</b>	<b>Recreation Fund</b>	<b>Total</b>		
<b>Assets:</b>					
Due from other funds	\$ 1,616,121	\$ 6,847	\$ 1,622,968	\$ 267,546	\$ 1,890,514
Property taxes receivable	-	-	-	1,079,215	1,079,215
Accounts receivable	268,476	3,142	271,618	4,988	276,606
Total assets	\$ 1,884,597	\$ 9,989	\$ 1,894,586	\$ 1,351,749	\$ 3,246,335
<b>Liabilities:</b>					
Accounts payable	\$ 17,677	\$ 4,153	\$ 21,830	\$ -	\$ 21,830
Accrued liabilities	18,390	5,836	24,226	-	24,226
Deferred revenue - property taxes	-	-	-	1,258,843	1,258,843
Total liabilities	36,067	9,989	46,056	1,258,843	1,304,899
<b>Fund balances:</b>					
Reserved for debt service	-	-	-	92,906	92,906
Reserve for encumbrances	4,364	-	4,364	-	4,364
Unreserved, undesignated	1,844,166	-	1,844,166	-	1,844,166
Total fund balances	1,848,530	-	1,848,530	92,906	1,941,436
Total liabilities and fund balances	\$ 1,884,597	\$ 9,989	\$ 1,894,586	\$ 1,351,749	\$ 3,246,335

**OGDEN CITY SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2005**

	<b>Special Revenue</b>				
	<b>School Lunch</b>	<b>Recreation Fund</b>	<b>Total</b>	<b>Debt Service</b>	<b>Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
Property tax	\$ -	\$ 303,554	\$ 303,554	\$ 1,419,583	\$ 1,723,137
Lunch sales	727,399	-	727,399	-	727,399
State aid	595,761	-	595,761	-	595,761
Federal aid	4,156,658	-	4,156,658	-	4,156,658
Total revenues	5,479,818	303,554	5,783,372	1,419,583	7,202,955
<b>Expenditures:</b>					
Current:					
Instructional services	-	303,780	303,780	-	303,780
School lunch services	5,326,083	-	5,326,083	-	5,326,083
Debt service:					
Principal retirement	-	-	-	1,425,000	1,425,000
Interest and fiscal charges	-	-	-	39,250	39,250
Total expenditures	5,326,083	303,780	5,629,863	1,464,250	7,094,113
Excess of revenues over expenditures	153,735	(226)	153,509	(44,667)	108,842
<b>Fund balances - beginning</b>	<b>1,695,021</b>	<b>-</b>	<b>1,695,021</b>	<b>137,573</b>	<b>1,832,594</b>
<b>Fund balances - ending</b>	<b>\$ 1,848,756</b>	<b>\$ (226)</b>	<b>\$ 1,848,530</b>	<b>\$ 92,906</b>	<b>\$ 1,941,436</b>

**OGDEN SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Special Revenue**

Year Ended June 30, 2005

With Comparative Totals for 2004

	School Lunch Fund				Recreation Fund				Nonmajor Governmental Funds - Special Revenue			
	Actual - Budgetary to GAAP Basis Reconciliation				Actual - Budgetary to GAAP Basis Reconciliation				Total			
	Budgetary Basis	Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis Revenue and Expenditures	Budgetary Basis	Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis Revenue and Expenditures	2005	2004	GAAP Basis Revenue and Expenditures	GAAP Basis Revenue and Expenditures
<b>Revenues:</b>												
Local revenue:												
Other	\$ 727,399	\$ -	-	\$ 727,399	\$ 303,554	\$ -	-	\$ 303,554	\$ 1,030,953	\$ 1,120,120		
State	595,761	-	-	595,761	-	-	-	-	595,761	638,804		
Federal	4,156,658	-	-	4,156,658	-	-	-	-	4,156,658	4,058,896		
Total revenues	5,479,818	-	-	5,479,818	303,554	-	-	303,554	5,783,372	5,817,820		
<b>Expenditures:</b>												
Community services												
Support services:												
Other	588,371	226	226	588,597	303,554	226	226	303,780	303,780	263,777		
Food service personnel	2,613,826	-	-	2,613,826	-	-	-	-	588,597	586,706		
Food	2,092,303	31,357	31,357	2,123,660	-	-	-	-	2,613,826	2,481,471		
Total expenditures	5,294,500	31,583	31,583	5,326,083	303,554	226	226	303,780	2,123,660	2,006,307		
Net change in fund balances	\$ 185,318	\$ (31,583)		153,735	\$ -	\$ (226)		(226)	5,629,863	5,338,261		
Fund balances - beginning				1,695,021					153,509	479,559		
Fund balances - ending				\$ 1,848,756					1,695,021	1,215,462		
									\$ 1,848,530	\$ 1,695,021		

The notes to the financial statements are an integral part of this statement.

**OGDEN SCHOOL DISTRICT**  
**Combining Statement of Revenues and Expenditures**  
**Nonmajor Governmental Funds - Special Revenue**  
Year Ended June 30, 2005

	School Lunch Fund				Recreation Fund				Total Nonmajor Governmental Funds - Special Revenue			
	Final Budgeted Amounts	Budgetary Basis Revenue and Expenditures	Variance Positive (Negative)		Final Budgeted Amounts	Budgetary Basis Revenue and Expenditures	Variance Positive (Negative)		Final Budgeted Amounts	Budgetary Basis Revenue and Expenditures	Variance Positive (Negative)	
<b>Revenues:</b>												
Local revenue:												
Other	\$ 947,000	\$ 727,399	\$ (219,601)		\$ 257,011	\$ 303,554	\$ 46,543		\$ 1,204,011	\$ 1,030,953	\$ (173,058)	
State	470,000	595,761	125,761		-	-	-		470,000	595,761	125,761	
Federal	3,031,000	4,156,658	1,125,658		-	-	-		3,031,000	4,156,658	1,125,658	
Total revenues	4,448,000	5,479,818	1,031,818		257,011	303,554	46,543		4,705,011	5,783,372	1,078,361	
<b>Expenditures:</b>												
Community services	-	-	-		257,011	303,554	(46,543)		257,011	303,554	(46,543)	
Support services												
Other	1,313,373	588,371	725,002		-	-	-		1,313,373	588,371	725,002	
Food service personnel	1,065,627	2,613,826	(1,548,199)		-	-	-		1,065,627	2,613,826	(1,548,199)	
Food	2,069,000	2,092,303	(23,303)		-	-	-		2,069,000	2,092,303	(23,303)	
Total expenditures	4,448,000	5,294,500	(846,500)		257,011	303,554	(46,543)		4,705,011	5,598,054	(893,043)	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ 185,318</b>	<b>\$ 185,318</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ 185,318</b>	<b>\$ 185,318</b>	

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and GAAP Basis - Nonmajor Governmental Funds - Debt Service**  
**Year Ended June 30, 2005**  
**With Comparative Totals for 2004**

	<b>2005</b>		<b>2004</b>
	<b>Budgetary Basis Revenue and Expenditures</b>	<b>Total Changes in Reserve for Encumbrances</b>	<b>GAAP Basis Revenue and Expenditures</b>
<b>Revenues:</b>			
Property tax	\$ 1,419,583	\$ -	\$ 1,419,583
Total revenues	<u>1,419,583</u>	<u>-</u>	<u>1,419,583</u>
<b>Expenditures:</b>			
Debt service:			
Bond principal	1,425,000	-	1,425,000
Bond interest	38,500	-	38,500
Other	750	-	750
Total expenditures	<u>1,464,250</u>	<u>-</u>	<u>1,464,250</u>
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	<u>\$ (44,667)</u>	<u>\$ -</u>	(44,667)
<b>Fund balance - beginning</b>			137,573
<b>Fund balance - ending</b>			<u>\$ 92,906</u>
			<u>\$ 137,573</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds - Debt Service**  
Year Ended June 30, 2005  
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Property tax	\$ 1,535,895	\$ 1,419,583	\$ (116,312)	\$ 1,224,561
Earnings on investments	-	-	-	-
Total revenues	<u>1,535,895</u>	<u>1,419,583</u>	<u>(116,312)</u>	<u>1,224,561</u>
<b>Expenditures:</b>				
Debt service:				
Bond principal	1,425,000	1,425,000	-	1,375,000
Bond interest	38,500	38,500	-	77,000
Other	72,395	750	71,645	3,250
Total expenditures	<u>1,535,895</u>	<u>1,464,250</u>	<u>71,645</u>	<u>1,455,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (44,667)</u>	<u>\$ (44,667)</u>	<u>\$ (230,689)</u>



**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and GAAP Basis - Major Capital Projects Fund**

Year Ended June 30, 2005  
With Comparative Totals for 2004

	2005			2004
	Budgetary Basis Revenue and Expenditures	Total Changes in Reserve for Encumbrances	GAAP Basis Revenue and Expenditures	GAAP Basis Revenue and Expenditures
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 8,287,229	\$ -	\$ 8,287,229	\$ 8,329,194
Earnings on investments	13,722	-	13,722	9,084
Student activities and other	-	-	-	95,825
State	613,041	-	613,041	621,950
Federal	-	-	-	246,524
Total revenues	<u>8,913,992</u>	<u>-</u>	<u>8,913,992</u>	<u>9,302,577</u>
<b>Expenditures:</b>				
Instructional	677,820	8,926	686,746	812,055
Support services:				
Student	4,162	2,296	6,458	547
Instructional staff	292,054	15,037	307,091	586,946
District general administration	9,338	-	9,338	2,921
School administration	9,067	682	9,749	23,391
Business	-	-	-	22,460
Operations and maintenance	671,255	3,336	674,591	694,088
Central	1,000	-	1,000	-
Food service personnel	-	-	-	-
Community service	-	-	-	-
Capital outlay	3,511,187	(1,002,501)	2,508,686	2,241,616
Debt service:				
Principal	390,000	-	390,000	370,000
Interest	169,217	-	169,217	182,755
Total expenditures	<u>5,735,100</u>	<u>(972,224)</u>	<u>4,762,876</u>	<u>4,936,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,178,892</u>	<u>972,224</u>	<u>4,151,116</u>	<u>4,365,798</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers, net	(3,531,318)	-	(3,531,318)	(3,606,506)
Sale of fixed assets	101	-	101	7,742
Total other financing sources (uses)	<u>(3,531,217)</u>	<u>-</u>	<u>(3,531,217)</u>	<u>(3,598,764)</u>
Net change in fund balances	<u>\$ (352,325)</u>	<u>\$ 972,224</u>	<u>619,899</u>	<u>767,034</u>
<b>Fund balance - beginning</b>			<u>7,292,685</u>	<u>6,525,651</u>
<b>Fund balance - ending</b>			<u>\$ 7,912,584</u>	<u>\$ 7,292,685</u>

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Major Capital Projects Fund**  
Year Ended June 30, 2005  
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)	Actual Amounts Budgetary Basis
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 8,283,218	\$ 8,287,229	\$ 4,011	\$ 8,329,194
Earnings on investments	-	13,722	13,722	9,084
Student activities and other	-	-	-	95,825
State	7,056,650	613,041	(6,443,609)	621,950
Federal	191,998	-	(191,998)	246,524
Total revenues	<u>15,531,866</u>	<u>8,913,992</u>	<u>(6,617,874)</u>	<u>9,302,577</u>
<b>Expenditures:</b>				
Instructional	1,660,532	677,820	982,712	664,904
Support services:				
Student	5,000	4,162	838	2,843
Instructional staff	270,922	292,054	(21,132)	169,078
District general administration	10,000	9,338	662	2,921
School administration	23,664	9,067	14,597	22,017
Business	20,000	-	20,000	9,030
Operations and maintenance	809,779	671,255	138,524	689,542
Central	1,226	1,000	226	-
Food service personnel	-	-	-	(110)
Capital outlay	9,682,024	3,511,187	6,170,837	1,705,101
Debt service:				
Principal	-	559,217	(559,217)	370,000
Interest	-	-	-	182,755
Total expenditures	<u>12,483,147</u>	<u>5,735,100</u>	<u>6,748,047</u>	<u>3,818,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,048,719</u>	<u>3,178,892</u>	<u>130,173</u>	<u>5,484,496</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers, net	-	(3,531,318)	(3,531,318)	(3,606,506)
Sale of fixed assets	-	101	101	7,742
Total other financing sources (uses)	<u>-</u>	<u>(3,531,217)</u>	<u>(3,531,217)</u>	<u>(3,598,764)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 3,048,719</u>	<u>\$ (352,325)</u>	<u>\$ (3,401,044)</u>	<u>\$ 1,885,732</u>

The notes to the financial statements are an integral part of this statement.

**Table 1**  
**The Facilities**  
**OGDEN CITY SCHOOL DISTRICT**  
**Historical Enrollment of the School**

The historical October 1 enrollment of the Central Middle School and the elementary schools that partially "feed" into the School is as follows:

Year	Central Middle School	% Chg From Prior Year	Feeder Elementary Schools					
			Dee	Hillcrest	Lewis	Taylor	Totals	% Change
2005	479	(12.1) %	425	455	462	312	1,654	(5.92) %
2004	545	(5.5)	473	433	482	370	1,758	(0.02)
2003	577	4.9	522	425	437	379	1,763	0.01
2002	550	(1.8)	489	422	470	380	1,761	4.8
2001	560	(2.7)	547	409	345	380	1,681	(5.1)
2000	576	(13.1)	561	414	392	404	1,771	(0.7)
1999	663	2.8	545	412	402	425	1,784	(2.0)
1998	645	(0.6)	521	393	470	436	1,820	(1.0)
1997	649	5.0	542	377	454	429	1,802	(2.9)
1996	618	(1.1)	646	364	418	428	1,856	2.3
1995	625	(3.1)	587	387	407	433	1,814	5.6
1994	645	(3.4)	558	390	343	427	1,718	2.1
1993	668	(1.6)	679	269	342	393	1,683	(1.9)
1992	679	10.6	618	304	332	398	1,652	(0.4)

\* Hillcrest has been a partial feeder school since 1994.  
 (Source: The District)

**Table 2**  
**Debt Structure**  
**OGDEN CITY SCHOOL DISTRICT**  
**General Obligation Bonds**  
**Outstanding General Obligation Debt (As of June 30, 2005)**

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2003(1)	Refunding	\$ 3,300,000	June 15, 2006	\$ 500,000
Total outstanding direct debt				<u>\$ 500,000</u>

(1) Moody's Investors Service has assigned an underlying A1 rating to Ogden City School District. In addition, the current offering will also receive the AAA rating of the State of Utah's School District Bond Guaranty Program (BGP).

**Table 3**  
**Debt Structure**  
**Ogden City School District**  
**Debt Service Schedule of Outstanding General Obligation Bonds**

Series 2003 \$3,300,000			
Fiscal Year Ending June, 30	Principal	Interest	Total Debt Service
2006	\$ 500,000	\$ 10,000	\$ 510,000

(Source: The District)

**Other Financial Considerations**

The Board has entered into various agreements for financing their capital needs. See GENERAL PURPOSE FINANCIAL STATEMENTS OF OGDEN CITY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2005 - Notes To The Financial Statements "Note 9 – Long-Term Debt".

**Table 4**  
**Debt Structure**  
**OGDEN CITY SCHOOL DISTRICT**  
**General Obligation Bonds**  
**Overlapping General Obligation Debt**

<u>Tax</u>	<u>(1) 2004 Taxable Value</u>	<u>District's Portion of Assessment</u>	<u>Entity's Percent</u>	<u>G.O. Debt</u>	<u>Overlapping Debt</u>
WBWCD (2)	\$ 22,482,746,360	\$ 2,849,690,553	12.68%	\$ 36,603,444	\$ 4,641,317
Weber County	8,000,860,957	2,849,690,553	35.62	27,000,000	9,617,400
Ogden City	2,849,690,553	2,849,690,553	100.0	20,850,000	<u>20,850,000</u>
Total overlapping general obligation debt					35,108,717
Total direct general obligation bonded indebtedness					<u>500,000</u>
Total direct and overlapping general obligation debt					<u>\$ 35,608,717</u>

(1) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property. See "FINANCIAL INFORMATION REGARDING OGDEN CITY SCHOOL DISTRICT, OGDEN CITY, WEBER COUNTY, UTAH - Taxable, Fair Market and Market Value Of Property" below.

(2) The Weber Basin Water Conservancy District ("WBWCD") covers all of Morgan County, most of Davis and Weber Counties, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD general obligation bonds are paid from sales of water. WBWCD bonds are shown as overlapping but are self supporting except for a maximum .000200 tax rate.

Note: The State of Utah general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

**Table 5**  
**Debt Structure**  
**OGDEN CITY SCHOOL DISTRICT**  
**General Obligation Bonds**  
**Debt Ratios**

	2004 Taxable Value (1)	Adjusted Fair Market Value (2)	Per Capita Debt Ratio (3)
Direct general obligation debt	0.02 %	0.01 %	6.10
Direct and overlapping General obligation debt	1.15 %	0.84 %	434.22

(1) Based on 2004 taxable value of \$3,084,706,273, which value includes the taxable value used to determine uniform fees on tangible personal property.

(2) Based on an estimated 2004 Market Value of \$4,233,558,090, which value includes the taxable value used to determine uniform fees on tangible personal property.

(3) Based on 2004 calendar year population estimate of 82,007.

**No Defaulted Obligations**

The Board has never failed to pay principal and interest on its financial obligations when due.

**Table 6**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Statements of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**

(This summary has not been audited)

Fiscal Year Ended June 30,

	2005	2004	2003	2002	2001
<b>Revenues:</b>					
Local revenue:					
Property taxes	\$ 10,183,621	\$ 10,311,946	\$ 10,178,033	\$ 9,871,198	\$ 8,489,084
Earnings from investments	621,579	349,951	445,712	637,429	1,240,754
Student activities and other	2,727,038	3,085,744	2,722,665	1,278,882	2,514,064
State of Utah	47,028,798	46,373,378	45,957,684	49,311,698	45,895,964
Federal	11,627,270	8,699,352	6,944,422	6,748,055	6,993,860
Total revenues	<u>72,188,306</u>	<u>68,820,371</u>	<u>66,248,516</u>	<u>67,847,262</u>	<u>65,133,726</u>
<b>Expenditures:</b>					
Instruction and student activities	46,864,768	45,639,257	43,478,738	44,429,762	43,041,794
Support services:					
Students	5,652,030	5,218,624	4,914,187	5,708,382	5,789,025
Instructional staff	8,154,563	6,628,857	5,363,874	6,277,451	5,742,426
District general admin.	549,024	471,570	568,989	428,365	541,540
School administration	5,048,237	4,757,473	4,812,665	4,524,448	4,255,941
Business	638,696	616,023	578,007	554,159	535,892
Operations and maintenance	5,380,327	5,220,278	4,398,883	4,787,376	4,994,930
Student transportation	1,652,625	1,609,160	1,615,782	1,643,234	1,555,137
Central	981,558	452,576	529,160	632,921	568,226
Other	550,123	437,018	435,975	794,431	729,271
Community service	732,391	670,008	730,789	697,339	666,935
Capital outlay	-	-	-	-	49,033
Total expenditures	<u>76,204,342</u>	<u>71,720,844</u>	<u>67,427,049</u>	<u>70,477,868</u>	<u>68,470,150</u>
Excess (deficiency) of revenues over expenditures	<u>(4,016,036)</u>	<u>(2,900,473)</u>	<u>(1,178,533)</u>	<u>(2,630,606)</u>	<u>(3,336,424)</u>
<b>Other financing sources (uses):</b>					
Sale of fixed assets	-	-	-	-	-
Operating transfers	3,531,318	3,606,506	2,233,947	2,480,901	3,733,169
Total other financing sources (uses)	<u>3,531,318</u>	<u>3,606,506</u>	<u>2,233,947</u>	<u>2,480,901</u>	<u>3,733,169</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>(484,718)</u>	<u>706,033</u>	<u>1,055,414</u>	<u>(149,705)</u>	<u>396,745</u>
Fund balance, beginning of year	<u>10,376,709</u>	<u>9,670,676</u>	<u>8,615,262</u>	<u>8,764,967</u>	<u>8,368,222</u>
Fund balance, end of year	<u>\$ 9,891,991</u>	<u>\$ 10,376,709</u>	<u>\$ 9,670,676</u>	<u>\$ 8,615,262</u>	<u>\$ 8,764,967</u>

(Source: Information taken from the District's audited financial statements and the 2004-2005 budget. This summary itself has not been audited.)



**Table 7**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Statements of Revenues, Expenditures and Changes in Fund Balances**  
**Capital Projects Fund**  
(This summary has not been audited)  
**Fiscal Year Ended June 30,**

Revenues:	2005	2004	2003	2002	2001
Local revenue:					
Property tax	\$ 8,287,229	\$ 8,329,194	\$ 8,289,020	\$ 8,113,816	\$ 8,980,815
Earnings from investments	13,722	9,084	12,320	18,117	18,338
Student activities	-	95,825	4,154,149	1,865,101	-
State of Utah	613,041	621,950	440,748	905,791	464,565
Federal	-	246,524	287,350	62,494	-
Total revenues	<u>8,913,992</u>	<u>9,302,577</u>	<u>13,183,587</u>	<u>10,965,319</u>	<u>9,463,718</u>
Expenditures:					
Instruction and student activities	686,746	812,055	304,488	517,191	376,483
Support services:					
Students	6,458	547	660	-	3,336
Instructional staff	307,091	586,945	529,591	123,064	431,227
District general administration	9,338	2,921	9,982	2,695	14,467
School administration	9,749	23,391	23,005	12,095	19,567
Business	-	22,459	1,052	7,569	774
Operations and maintenance	674,591	694,087	668,076	636,387	647,404
Central	1,000	-	-	4,684	119,624
Food service personnel	-	-	993	-	-
Community service	-	-	54,861	-	-
Capital outlay	2,508,686	2,237,479	8,304,675	5,290,504	2,706,196
Debt service	559,217	552,755	553,798	553,918	558,158
Total expenditures	<u>4,762,876</u>	<u>4,932,639</u>	<u>10,451,181</u>	<u>7,148,107</u>	<u>4,877,236</u>
Excess (deficiency) of revenues over expenditures	<u>4,151,116</u>	<u>4,369,938</u>	<u>2,732,406</u>	<u>3,817,212</u>	<u>4,586,482</u>
Other financing sources (uses):					
Sale of fixed assets	101	7,742	9,976	-	1,271
Operating transfers, net	(3,531,318)	(3,606,506)	(2,233,947)	(2,480,901)	(3,733,169)
Total other financing sources (uses)	<u>(3,531,217)</u>	<u>(3,598,764)</u>	<u>(2,223,971)</u>	<u>(2,480,901)</u>	<u>(3,731,898)</u>
Excess (deficiency) of revenues and other financing sources					
(uses) over expenditures	619,899	771,174	508,435	1,336,311	854,584
Fund balance, beginning of the year	7,292,685	6,521,511	6,013,076	4,676,765	3,822,181
Fund balance, end of the year	<u>\$ 7,912,584</u>	<u>\$ 7,292,685</u>	<u>\$ 6,521,511</u>	<u>\$ 6,013,076</u>	<u>\$ 4,676,765</u>

(Source: Information taken from the District's audited financial statements and the 2004-05 budget. This summary itself has not been audited.)

**Table 8**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Balance Sheets - All Governmental Fund Types**  
(This summary has not been audited)

	Fiscal Year Ended June 30,				
	2005	2004	2003	2002	2001
<b>Assets and Other Debits</b>					
Cash and investments	\$ 26,578,040	\$ 27,521,854	\$ 24,525,192	\$ 19,409,019	\$ 21,594,625
Accounts receivable	8,260,926	9,716,014	6,422,989	7,231,024	3,649,742
Property taxes receivable	15,115,053	15,018,095	14,456,354	-	-
Due from other funds	10,995,715	5,237,914	7,609,083	38,611	162,175
<b>Total assets</b>	<b>\$ 60,949,734</b>	<b>\$ 57,493,877</b>	<b>\$ 53,013,618</b>	<b>\$ 26,678,654</b>	<b>\$ 25,406,542</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Checks in excess	\$ 2,240,911	\$ 1,830,539	\$ 871,521	\$ 1,339,895	\$ 822,430
Accounts payable	751,603	399,120	885,387	187,767	245,216
Accrued liabilities	8,493,885	8,037,820	7,977,059	7,822,650	7,526,919
Due to other funds	12,075,053	10,049,127	7,674,183	7,341,289	6,758,542
Deferred revenue	17,642,271	17,675,283	17,829,557	1,371,791	1,288,468
<b>Total liabilities</b>	<b>41,203,723</b>	<b>37,991,889</b>	<b>35,237,707</b>	<b>18,063,392</b>	<b>16,641,575</b>
<b>Fund balance:</b>					
Reserved for encumbrances	1,642,947	632,876	1,908,500	176,064	209,265
Reserved for student activities	1,740,667	1,702,187	1,647,590	1,556,486	1,273,756
Reserved for state programs	5,769,990	5,510,687	4,095,225	3,137,555	3,108,099
Reserved for debt service	659,620	704,287	933,392	-	-
Designated	567,834	963,554	5,247,888	574,524	455,658.00
Unreserved, undesignated	9,364,953	9,988,397	3,943,316	3,170,633	3,718,189
<b>Total fund balance</b>	<b>19,746,011</b>	<b>19,501,988</b>	<b>17,775,911</b>	<b>8,615,262</b>	<b>8,764,967</b>
<b>Total liabilities and fund balance</b>	<b>\$ 60,949,734</b>	<b>\$ 57,493,877</b>	<b>\$ 53,013,618</b>	<b>\$ 26,678,654</b>	<b>\$ 25,406,542</b>

(Source: Information taken from the District's audited financial statements. This summary itself has not been audited.)

**Table 9**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Historical District Tax Rates**

Levy	Tax Year					
	Maximum Tax Rate(1)	Budget 2004-05	2003-04	2002-03	2001-02	2000-01
Basic program (2)	formula	0.001800	0.001825	0.001807	0.001785	0.001881
Voted leeway (3)	0.002200	0.001220	0.001218	0.001227	0.001236	0.000854
Board leeway (4)	0.000400	0.000395	0.000394	0.000397	0.000400	0.000374
Transportation (5)	0.000200	0.000156	0.000156	0.000157	0.000158	0.000164
Tort liability (6)	0.000100	0.000000	0.000000	0.000000	0.000000	0.000000
Recreation (7)	none	0.000188	0.000188	0.000189	0.000190	0.000197
Totals		0.003759	0.003781	0.003777	0.0037690	0.003470
Capital outlay (8)	0.002400	0.001933	0.001930	0.001944	0.001958	0.002033
10% of basic program (9)	formula	0.001126	0.001124	0.001132	0.001140	0.001638
Totals		0.003059	0.003054	0.003076	0.003098	0.003671
General obligation Debt service (10)	none	0.000524	0.000449	0.000605	0.000609	0.000620
Judgement recovery (11)	none	0.000000	0.000000	0.000000	0.000000	0.000000
Total all		0.007342	0.007284	0.007458	0.007476	0.007761

- (1) Maximum tax rate where applicable under current State law (for the year 2004-2005).
- (2) Set by law for the district's portion of the State Minimum School Program.
- (3) General maintenance and operation revenue. In the early 1960's, District residents approved a voted leeway program, however, because the program was approved prior to 1965, the district can only levy a maximum of 16% of a State devised ratio (that considers weighted pupil units and other factors). The district also approved an addition to the existing voted leeway program in 1984.
- (4) Restricted to class size reduction.
- (5) Funds hazardous bus routes.
- (6) Liability insurance premium.
- (7) Recreational activities plus teacher athletic / activity differential.
- (8) Construction remodeling projects and purchases of school sites / equipment, etc.
- (9) Construction remodeling projects and purchase of school sites / equipment, textbooks, and supplies.
- (10) This maximum limitation is not applicable to levies made to provide for payment of the principal and interest on general obligation bonds authorized by vote of school district electors.
- (11) A "judgement levy" was levied in years 1997 and 1998 for the purpose of collecting additional revenues. The Board has the legal right to levy a "Judgement Levy" in succeeding tax years to make up for any tax revenue shortfall due to tax or revaluation "judgement" circumstances that the Board has no control over. Said tax rate is calculated by the State Tax Commission (Source: The District).

Table 10  
Financial Information  
**OGDEN CITY SCHOOL DISTRICT**  
Comparative Total Property Tax Rates Within Weber County

Taxing Area (1)	Total Tax Rate Within Taxing Area				
	2005	2004	2003	2002	2001
Farr West City	.013630	.012852	.012667	.012310	.012174
Harrisville City	.013717	.012985	.012791	.012654	.012553
North Ogden City	.014142	.013746	.013603	.013450	.013548
Ogden City	.017354	.016708	.016434	.016641	.016794
Riverdale City	.013581	.012251	.012006	.011933	.011886
Roy City	.015850	.013869	.013514	.013098	.016530
South Ogden City	.014922	.014143	.013034	.012957	.012852

(1) Tax levies are the *total of all taxing districts within the City*

(Source: Utah State Tax Commission.)

**Table 11**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Taxable and Fair Market Value of Property**

**Excluding Fee-In-Lieu Valuation**

<u>Year</u>	<u>Taxable Value (1)</u>	<u>% change over prior year</u>	<u>Fair Market Value</u>	<u>% change over prior year</u>
2004	\$ 2,818,219,024	0.6%	\$ 3,967,070,841	0.7%
2003	2,801,669,635	3.6%	3,939,060,205	3.5%
2002	2,704,724,495	4.4%	3,806,156,377	4.0%
2001	2,590,415,081	8.3%	3,660,934,488	7.7%
2000	2,390,901,771	10.4%	3,400,738,016	12.2%

**Including Fee-In-Lieu Valuation**

<u>Year</u>	<u>Taxable Value (1)</u>	<u>% change over prior year</u>	<u>Fair Market Value</u>	<u>% change over prior year</u>
2004	\$ 3,084,706,273	0.1%	\$ 4,233,558,090	0.4%
2003	3,080,359,812	3.2%	4,217,750,382	3.2%
2002	2,985,357,187	3.3%	4,086,789,069	3.2%
2001	2,889,312,928	14.6%	3,959,832,335	12.2%
2000	2,520,376,638	2.7%	3,530,212,883	6.4%

(Source: Property Tax Division, Utah State Tax Commission (as to Taxable Value only))

(1) Taxable values were calculated by reducing the fair market value of primary residential property by 45% for the tax years 2004, 2003, 2002, 2001, and 2000, representing a partial property tax exemption for such property.

**Table 12**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Historical Summary of Taxable Value of Property**

	<u>2004 Taxable Value</u>	<u>Percent of 2003</u>
<b>CENTRALLY ASSESSED VALUES:</b>		
Centrally assessed properties	\$ 112,775,977	3.957 %
<b>LOCALLY ASSESSED VALUES:</b>		
Residential real estate - primary use	1,398,937,446	49.091
Residential real estate - other	42,068,978	1.476
Commercial and industrial real estate	858,966,514	30.142
Real estate - under F.A.A. - agricultural	132,309	.005
Unimproved real estate - non F.A.A.	<u>7,309,940</u>	<u>.257</u>
Total real property	<u>2,307,415,187</u>	<u>80.971</u>
Mobile homes - primary residential use	5,214,775	.183
Mobile homes - secondary	-	-
Other personal property	<u>392,813,085</u>	<u>13.784</u>
Total personal property	<u>398,027,860</u>	<u>13.967</u>
Fee in lieu property (1)	<u>31,471,529</u>	<u>1.105</u>
 Total taxable value	 \$ <u>2,849,690,553</u>	 <u>100.000</u>
Total taxable value (less fee in lieu)	\$ <u>2,818,219,024</u>	

(1) See "Financial information regarding Ogden City School District -- Ad Valorem Tax System" (Source: Property Tax Division, Utah State Tax Commission.)

**Table 13**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Tax Collection Record**

<b>Tax Year End 12/31</b>	<b>Total Taxes Levied</b>	<b>Trea- surer's Relief</b>	<b>Net Taxes Assessed</b>	<b>Current Collections</b>	<b>Deliq. Personal Property and Misc. Collect -ions</b>	<b>Total Coll- ections</b>	<b>% of Current  Collec- tions to Net Taxes Assessed</b>	<b>% of Total  Collec- tions to Net Taxes Assessed</b>
2004	\$ 18,201,595	\$ 204,171	\$ 17,997,424	\$ 16,749,872	\$ 1,256,575	\$ 18,006,447	93.1%	100.1%
2003	18,235,128	214,604	18,020,524	16,992,286	1,078,936	18,071,222	94.3%	100.3%
2002	18,196,279	204,540	17,991,739	16,679,299	1,229,051	17,908,350	92.7%	99.5%
2001	17,887,961	208,518	17,679,443	16,541,447	919,272	17,460,719	93.6%	98.8%
2000	17,251,121	206,019	17,045,102	15,983,237	1,047,511	17,030,748	93.8%	99.9%

1. The District collected fee-in-lieu payments for tax year 2004 of \$1,882,933; for 2003 of \$1,897,893; for 2002 of \$1,984,642; for 2001 of \$2,072,498; for 2000 of \$1,942,123; and from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.
2. Excludes redevelopment agencies valuation.
3. Treasurer's relief includes abatements. These Treasurer's relief items are levied against the property, but are never collected and paid to the entity.
4. Delinquent collections include interest; sales of real and personal property; and miscellaneous delinquent collections.

(Source: County Treasurer)

**Table 14**  
**Financial Information**  
**OGDEN CITY SCHOOL DISTRICT**  
**Some of the Largest Taxpayers**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Real Estate</u>	<u>(1) Personal Property</u>	<u>2004 Taxable Valuation</u>	<u>Percentage of District's 2004 Tax Value (2)</u>
Boyer Company	R.E. Developer	\$ 98,484,416	\$ -	\$ 98,484,416	3.46%
Fresenius USA Inc fna Delmed	Medical Supplies	11,896,799	71,010,121	82,906,920	2.91%
Autoliv ASP Inc. fna Morton	Airbag	17,093,521	39,805,404	56,898,925	2.00%
Williams International Corp	Jet Engines	9,081,780	41,099,736	50,181,516	1.76%
Boeing Company	Airplane	-	33,264,132	33,264,132	1.17%
Qwest Communications	Comm. Utility	32,340,397	-	32,340,397	1.13%
Pacificorp dba Utah Power	Electric Utility	31,444,351	-	31,444,351	1.10%
Citi Group	Equip Finance	-	28,898,290	28,898,290	1.01%
IHC Health Services Inc.	Health Services	28,818,639	-	28,818,639	1.01%
Newgate Mall LLC	Retail Mall	28,115,660	-	28,115,660	0.99%
<b>Totals</b>		<b>\$ 257,275,563</b>	<b>\$ 214,077,683</b>	<b>\$ 471,353,246</b>	<b>16.54%</b>

(1) Taxable value used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. See "Taxable, Fair Market Value of Property" above.

Source: County Treasurer.

(2) \$2,849,690,553



**OGDEN CITY SCHOOL DISTRICT**

**Government Auditing Standards, OMB Circular A-133  
and Other Required Reports**

**Year ended June 30, 2005**

**OGDEN CITY SCHOOL DISTRICT**  
**Government Auditing Standards, OMB Circular A-133**  
**and Other Required Reports**  
**Year Ended June 30, 2005**

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# Schmitt, Griffiths, Smith & Co., P.C.

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### Honorable Board of Education Ogden City School District

We have audited the basic financial statements of Ogden City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Ogden City School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ogden City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the audit committee, administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Schmitt, Griffiths, Smith & Co., P.C.*

September 30, 2005

# Schmitt, Griffiths, Smith & Co., P.C.

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Board of Education  
Ogden City School District

### Compliance

We have audited the compliance of Ogden City School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Ogden City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ogden City School District's administration. Our responsibility is to express an opinion on Ogden City School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ogden City School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ogden City School District's compliance with those requirements.

In our opinion Ogden City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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### Internal Control Over Compliance

The management of Ogden City School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ogden City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Ogden City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of Ogden City School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Sehnitt, Diggins, Smith & Co., P.C.*

September 30, 2005

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2005**

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Year Ended June 30, 2005		
			Grant Receipts	Revenue Recognized	Expenditures
U.S. Department of Defense (Direct Program):					
ROTC	N/A	N/A	124,501	124,501	124,501
U.S. Department of Education (Direct Program):					
Smaller Learning Communities	N/A	N/A	187,200	244,856	244,856
FIE - INSPIRE	N/A	N/A	-	2,140	2,140
AmeriCorps	94.006	N/A	282,037	511,960	511,960
Carol M. White PEP Grant	N/A	N/A	73,264	93,663	93,663
State of Utah					
LSTA Mini Grant	N/A	N/A	-	9,021	9,021
Total direct programs			667,002	986,141	986,141
Passed through Utah State Office of Education:					
Title I Basic Grant	84.010A	050805	-	2,240,928	2,240,928
	84.010A	040805	1,228,675	1,228,675	1,228,675
LEA Program Improvement	84.010A	050805	-	6,410	6,410
Program Improvement	84.215K	050805	281,431	374,119	374,119
Reading First	84.357	050805	517,466	697,562	697,562
	84.357	040805	21,775	21,775	21,775
Federal, State and Local Partnerships for Ed Imp Title VI	84.298A	059103	-	48,679	48,679
Even Start	84.213C	051805	-	69,505	69,505
	84.213C	041805	39,947	39,947	39,947
Title I Neglected and Delinquent Children	84.013A	051305	-	20,822	20,822
	84.013A	041305	-	6,257	6,257
Title I Comprehensive School Reform	84.332A	052705	-	167,090	167,090
	84.332A	042705	-	38,222	38,222
Title I Migrant Education	84.011A	051505	-	149,326	149,326
	84.011A	041505	280,688	280,688	280,688
IDEA Preschool Disabled	84.173A	055205	-	93,455	93,455
IDEA Disabled	84.027A	051905	453,911	2,731,330	2,731,330
Applied Technology Education	84.048A	052112	13,515	361,446	361,446
	84.048A	042112	3,125	3,125	3,125
Adult Education	84.002A	053308	-	192,955	192,955
Prisons and Institutions	84.002A	043308	12,218	30,000	30,000
Drug Free Schools and Communities	84.186A	050912	-	74,966	74,966
	84.186A	040912	-	64,625	64,625
Service Learning	93.001	055303	-	12,000	12,000
	93.001	045303	3,863	3,863	3,863
Refugee School Impact	93.576	0425	-	6,161	6,161
Improving Teacher Quality	84.367	057403	-	736,557	736,557
	84.367	047403	312,135	325,365	325,365

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Continued**  
**Year Ended June 30, 2005**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Grant Receipts	Year Ended June 30, 2005 Revenue Recognized	Expenditures
Passed through Utah State Office of Education					
Office of Education, Continued:					
Emergency Immigration Education	84.162A	055705	-	13,379	13,379
	84.162A	045706	-	109,179	109,179
NCLB Title IID Educational Tech	84.318X	050703	-	22,997	22,997
	84.318X	040703	-	60,485	60,485
NCLB Title IV 21st Century Learning Cntr	84.287C	056003	-	304,430	304,430
	84.287C	046003	82,554	82,554	82,554
Total passed through			3,251,303	10,618,877	10,618,877
Total U.S. Department of Education			3,918,305	11,605,018	11,605,018
U.S. Department of Agriculture (See Note B):					
Passed through Utah State Office of Education:					
Food Distribution (Commodities)	10.550	N/A	-	365,107	365,107
National School Lunch Program	10.555	034225	463,197	475,669	475,669
	10.555	034325	2,413,561	2,523,636	2,523,636
School Breakfast	10.553	034425	775,420	792,246	792,246
Child and Adult Food Care Program	10.558	044725	22,632	22,252	22,252
Total U.S. Department of Agriculture			3,674,810	4,178,910	4,178,910
			\$ 7,593,115	\$ 15,783,928	\$ 15,783,928



**OGDEN CITY SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2005**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ogden City School District and is presented on the accrual basis of accounting and in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other governmental agencies are included in these schedules.

**Note B - Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2005**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Ogden City School District.
2. No instance of noncompliance material to the financial statements of Ogden City School District was disclosed during the audit, as required to be reported in accordance with Government Auditing Standards.
3. No reportable conditions were disclosed during the audit of the major federal award programs.
4. The auditors' report on compliance for the major federal award programs for Ogden City School District expresses an unqualified opinion.
5. No audit findings relative to the major federal award programs for Ogden City School District were reported in the schedule of findings and questioned costs.
6. The programs tested as major federal programs include:

<u>Name</u>	<u>CFDA No.</u>
Title I Basic	84.010
Reading First	84.357
Americorp	94.006

7. The threshold for distinguishing Types A and B programs was \$473,000.
8. Ogden City School District was determined to be a low-risk auditee.

**OGDEN CITY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs, Continued**  
**Year Ended June 30, 2005**

**FINDINGS – FINANCIAL STATEMENT AUDIT – CURRENT YEAR:**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD  
PROGRAMS AUDIT:**

None

## Independent Auditors' Report State of Utah Legal Compliance

### Honorable Board of Education Ogden City School District

We have audited the basic financial statements of Ogden City School District for the year ended June 30, 2005 and have issued our report thereon dated September 30, 2005. As part of our audit, we have audited the Ogden City School District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2005. The District received the following major State assistance programs from the State of Utah:

Minimum School Program  
Drivers Education  
Capital Outlay Foundation

Our audit also included test work on the District's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Other General Compliance Issues

The administration of Ogden City School District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.



The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Ogden City School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of service allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2005.

*Schmitt, Giffith, Smith & Co., P.C.*

September 30, 2005